

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
2006 Legislative Year**

**Status as of April 5, 2006**

**B - Other Bills**

<b>Bill Number Version</b>	<b>Author</b>	<b>Summary</b>	<b>Board Position</b>	<b>Status</b>
<b>AB 71</b>	Chan	<b>Office of California Drug Safety Watch</b>		06/27/2005- Senate Health Committee
A-06/23/2005		Establishes the Office of California Drug Safety Watch within DHS. Requires the Office to maintain safety and effectiveness information for prescription drugs for which there have been recently published reports of safety concerns and that have been frequently advertised on television. The information must be posted on an Internet Web site and rely on systematically reviewed evidence-based research. Requires the Department of Health Services to impose a fee upon the manufacturers of drugs sold in the state in order to implement the bill.		
<b>AB 804</b>	La Suer	<b>Patrol Members: IDR Benefits</b>	Support	06/29/2005- Senate PE&R Committee
A-06/29/2005		Requires CalPERS to change an industrial disability retirement to a service retirement, if the member is receiving the maximum service retirement amount and is subsequently employed as a peace officer outside of state service. The bill would also exempt the CHP from making certain types of disability indemnity payments if the injured employee is a peace officer and receiving the maximum allowance as specified, and requires a workers' compensation insurer to disclose to the CHP information for the purpose of investigating workers' compensation insurance fraud.		
<b>AB 1558</b>	Wolk	<b>Financial Interest in Public Contracts</b>	Support	02/16/2006- Referred to Committees on Senate Election, Reapportionment and Constitutional Amendments and Senate Rules
A-01/19/2006		Current law prohibits public officials and employees from having a financial interest in any contract made by them or by any board or body of which they are members. This bill would create a pilot project to allow the Fair Political Practices Commission to issue opinions with respect to a public official's duty under those provisions.		

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<b>AB 1643</b>  A-08/22/2005	Jones	<b>Long-Term Care Pilot Project</b>  Requires the CalPERS Board, in cooperation with the California Health and Human Services Agency, to contract with an independent firm or organization to study the feasibility of creating a pilot program to provide long-term care coverage to persons excluded from the program because of underwriting criteria, and to report the results of the study to the Legislature by March 31, 2008.	Support, if Amended	08/22/2005-Senate Appropriations Committee
<b>AB 1800</b>  I-01/10/2006	Laird	<b>2006-07 Budget Act</b>  Makes appropriations for support of state government for the 2006-07 fiscal year. Urgency clause.		01/23/2006-Assembly Budget Committee
<b>AB 1961</b>  I-02/06/2006	Richman	<b>Performance Audit of CalPERS</b>  Requires the Bureau of State Audits to conduct and complete a performance audit of CalPERS on or before December 31, 2007, and every 3 years thereafter, and to report its findings to the CalPERS Board and the Legislature. The bill would also require CalPERS to report back to the Legislature on the implementation of any audit recommendations.		03/30/2006-Assembly PER&SS Committee
<b>AB 2132</b>  I-02/21/2006	Levine	<b>PEMHCA: Retiree Benefits After Reinstatement</b>  Allows a state or local CalPERS retired annuitant who reinstates and retires for a second time to receive retiree health benefits from the employer that provides the highest level of benefits, provided the annuitant has at least 5 years of service from the initial employer. This bill would apply to annuitants who, after reinstatement, subsequently retire on or after January 1, 2007.		03/29/2006-Assembly PER&SS Committee
<b>AB 2242</b>  I-02/22/2006	Assembly PER&SS Committee	<b>Vision Care: State Annuitants</b>  Establishes a vision care program for state annuitants by creating the Vision Care Program for State Annuitants Fund, and requires DPA to administer this program.		03/02/2006-Assembly PER&SS Committee.
<b>AB 2244</b>  I-02/22/2006	Assembly PER&SS Committee	<b>Disability Retirement &amp; Technical Amendments</b>  Clarifies the requirements for disability retirement eligibility. Also contains technical changes to the laws CalPERS administers.		03/02/2006-Assembly PER&SS Committee

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<b>AB 2351</b>  I-02/23/2006	Maze	<b>Service Credit for Elected Official</b>  Prohibits a contracting agency, that is a city, county, or city and county, from granting service credit to an elected officer, if the elected officer did not perform the service.		03/13/2006- To Committees on Assembly PER&SS and Assembly Local Government
<b>AB 2355</b>  I-02/23/2006	Negrete McLeod	<b>Service Credit for CSU Academic Employees</b>  Permits a member who is a CSU academic employee to receive full service credit for the times the member is excused from his or her duties, regardless of whether compensation amounts to less than full-time (i.e. Sabbatical Leave). The member would make specified contributions during those periods.		03/29/2006- Assembly Appropriations Committee
<b>AB 2411</b>  A-03/30/2006	Aghazarian	<b>PEMHCA: Health Savings Accounts</b>  Expresses the intent of the Legislature to enact provisions requiring the CalPERS Board of Administration to offer members one or more health care plans that provide for a health savings account coupled with a high deductible insurance plan.		04/03/2006- Assembly PER&SS Committee
<b>AB 2438</b>  A-03/27/2006	Chu	<b>Treatment of Pay for Industrial Disability Leave</b>  For purposes of determining final compensation, additionally defines "compensation" to include, if the member is a school employee of a school district or community college district, industrial disability leave paid to that member.		03/29/2006- Assembly Appropriations Committee
<b>AB 2544</b>  I-02/23/2006	Pavley	<b>PEMHCA: Public Agency Contributions</b>  Current law allows public agencies to provide annuitants with an unequal employer contribution according to a specified formula. This bill revises that formula to require an employer contribution for annuitants amounting to no less than the number of years that the contracting agency has been subject to PEMHCA multiplied by 5 percent of the current monthly contribution for employee.		03/13/2006- Assembly PER&SS Committee

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<b>AB 2632</b>  I-02/24/2006	Negrete McLeod	<b>Retirement Benefits: California National Guard</b>  Expands membership eligibility under CalPERS to members of the California National Guard, as certified by the Military Department, and requires active or inactive part-time service to be included in the final service credit calculation for these members. National Guard members would pay the employer contribution to the retirement fund and would be classified as state miscellaneous members.		03/23/2006- To Committees on Assembly PER&SS and Assembly Veterans Affairs
<b>AB 2667</b>  I-02/24/2006	Baca	<b>PEMHCA: Contracting Considerations</b>  Requires CalPERS Board to consider specified factors with respect to any individual or entity that seeks to contract with the system for the provision of health benefits. These factors shall include whether the applicant is of reputable and responsible character and whether the applicant has the ability to provide health care benefits or services based on their history of providing health care services. This bill would also apply to the Department of Managed Health Care, Department of Insurance, and the State Department of Health Services.		03/23/2006- Assembly Health Committee
<b>AB 2766</b>  I-02/24/2006	Montanez	<b>Special Death Benefits for BU 12</b>  Removes the requisite of an MOU with respect to state miscellaneous members in State Bargaining Unit 12 employed by the Department of Transportation for special death benefits.		03/13/2006- Assembly PER&SS Committee
<b>AB 2795</b>  I-02/24/2006	Negrete McLeod	<b>Reciprocity among Retirement Systems</b>  Eliminates the restrictions regarding the period of time between the member's public employment subject to the various reciprocal retirement systems and would make those reciprocal benefits available irrespective of the length of that intervening period.		03/13/2006- Assembly PER&SS Committee
<b>AB 2941</b>  I-02/24/2006	Koretz	<b>Sudan Divestment</b>  Expresses the intent of the Legislature to enact legislation that would prohibit investments by CalPERS, CalSTRS, and the Treasurer in entities doing business with the government of Sudan.		02/27/2006- Read first time.

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<b>AB 3041</b>  I-02/24/2006	Pavley	<b>Medicare Part D: PORAC</b>  Excludes individuals enrolled in a health benefit plan offered by the Peace Officers Research Association of California (PORAC) from the statute stating that PEMHCA participants enrolled in Medicare Part D cannot enroll in CalPERS board-approved health plan.		03/20/2006- Assembly PER&SS Committee
<b>ABX1 3</b>  I-04/14/2005	Richman	<b>Defined Contribution and Hybrid Plan for New Employees</b>  Establishes defined contribution and hybrid plans for public employees hired on or after July 1, 2007, if approved by voters in a statewide election. Requires that any benefit enhancement for members of CalPERS, CalSTRS, or a '37 Act system be prospective only; permits the board to cancel a member's disability retirement if that member becomes employed in the same or similar job classification for more than 3 months; and permits the board to order a medical reevaluation of a member retired for disability if the member is less than age 59. The bill would require actuaries, when performing asset valuations for the purposes of establishing employer rates, to spread market value asset gains and losses over a period of at least 5 years. Provides specified death and disability benefits for those participating in a hybrid or DC plan.		05/25/2005- Assembly Public Sector Committee
<b>ABX1 4</b>  I-05/04/2005	Torrico	<b>Employer Rate Stabilization Accounts</b>  Establishes within the PERF a Taxpayer Risk Reduction Account for each employer. The accounts would be held as an employer asset and funded by all or a portion of employer contributions when the actuarial value of assets exceeds the present value of benefits. The account may be drawn upon to pay a portion of the employer contribution when the employer contribution rate is greater than the normal cost of benefits.		05/26/2005- Assembly Ways and Means Committee

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ABX1 6 A-06/02/2005	Evans	<b>Final Compensation Cap; Safety Retirement Cap; Safety Member Reemployment Plan; Conversion of IDR Benefit</b>  Creates a cap on final compensation for new members. Requires an employer to develop a reemployment plan for a disabled safety member who is able to perform the duties of a miscellaneous position; the plan is subject to member approval, and the member may receive a supplemental allowance to offset the salary of the miscellaneous position. Increases the cap on safety retirement benefits to 100% for a service retirement; establishes a cap on safety retirement benefits of 85% for a disability retirement. Allows CalPERS to change an industrial disability retirement to a service retirement under specified circumstances.		06/08/2005- Assembly Ways and Means Committee
ACA 5 I-12/06/2004	Richman	<b>Defined Contribution Plan for New Participants</b>  Proposes an amendment to the California State Constitution to prohibit any newly hired public employee, including state employees, from being enrolled in a defined benefit (DB) public pension plan after July 1, 2007, and establishes the California Public Employee Defined Contribution Plan. ACA 5 would restrict new public employees to defined contribution (DC) plans with limited employer contributions.	Oppose	04/14/2005- Assembly PER&SS Committee
ACA 23 A-01/30/2006	Richman	<b>California Public Employee Retirement Plan</b>  Proposes an amendment to the California State Constitution to establish the California Public Employee Retirement Plan with mandated enrollment in a defined benefit plan and voluntary enrollment in a defined contribution plan for public employees hired on or after July 1, 2007. This measure would, among other things, reduce retirement benefits, increase the normal retirement age, and establish different employee and employer contribution rules.	Oppose	01/31/2006- Assembly PER&SS Committee

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<b>ACAX1 1</b>  I-01/06/2005	Richman	<b>Defined Contribution Plan for New Participants</b>  Proposes an amendment to the California State Constitution to prohibit any newly hired public employee, including state employees, from being enrolled in a defined benefit (DB) public pension plan after July 1, 2007, and establishes the California Public Employee Defined Contribution Plan. ACAX1 1 would restrict new public employees to defined contribution (DC) plans.	Oppose	03/02/2005- Assembly Public Sector Committee
<b>ACAX1 8</b>  I-04/14/2005	Richman	<b>Defined Contribution and Hybrid Plan for New Participants</b>  Proposes an amendment to the California Constitution that would establish the California Public Employee Defined Contribution and Hybrid Plans for public employees hired on or after July 1, 2007 as administered by CalPERS, CalSTRS, UCRS, or a private administrator contracted by a local entity. Requires that plans offer death and disability benefits, and establishes employee and employer contribution rates. Permits UC Regents to establish employer contribution rates as necessary to recruit and retain employees.		05/25/2005- Assembly Public Sector Committee
<b>SB 154</b>  A-04/21/2005	Chesbro	<b>PEMHCA: Reciprocity with Other States</b>  Authorizes the CalPERS Board to contract with out-of-state public employee pension and health systems to provide health care benefits to California employees and annuitants who reside outside this state, as specified.	Support	02/16/2006- Assembly PER&SS Committee
<b>SB 733</b>  A-07/01/2005	Aanestad	<b>Butte and Solano County Trial Courts</b>  Current law requires, for counties contracting with CalPERS, the county and the trial court within that county to participate in CalPERS under a joint contract. This bill would exempt Butte County and Solano County from part of that provision, instead requiring that the assets and liabilities of the trial court and the county be kept in separate accounts, with the separation of assets calculated retroactively from June 30, 2002.	Oppose, Unless Amended	08/25/2005- Assembly Appropriations Committee

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<b>SB 739</b>  A-08/30/2005	Speier	<b>Hospitals: Infection Control</b>  Requires hospitals to have a written infection control program for the surveillance, prevention, and control of infections. Requires a hospital to collect and maintain data, for a specified time period, regarding the number of hospital-acquired infections, surgical site infections, and of its activities to reduce hospital-acquired infections and improve the quality of care. Requires OSHPD to annually evaluate the program and requires each hospital to participate in the hospital-acquired infection reporting system of the National Healthcare Safety Network of the Centers for Disease Control and Prevention.	Support	09/08/2005- Read third time. Refused passage. Action rescinded and record expunged whereby bill refused passage. Placed on inactive file on request of Assembly Member Wolk.
<b>SB 840</b>  A-07/12/2005	Kuehl	<b>Universal Coverage: Single-Payer System</b>  Makes all California residents eligible for specified health care benefits under the newly created California Health Insurance System, which would, on a single-payer basis, negotiate and pay claims for health care services provided through the system. Prohibits the issuance of health plan contracts for services covered by the system. Requires the system to be operational within 2 years of enactment. Funds from existing health programs will be redirected to that fund.	Neutral	07/12/2005- Assembly Rules Committee
<b>SB 1129</b>  I-01/10/2006	Chesbro	<b>2006-07 Budget Act</b>  Makes appropriations for support of state government for the 2006-07 fiscal year. Urgency clause.		01/11/2006- From print. May be acted upon on or after February 10.
<b>SB 1168</b>  I-01/11/2006	Chesbro	<b>Rural Health Care Equity Program</b>  Extends the operation of the Rural Health Care Equity Program from January 1, 2008 to January 1, 2012 or until the board determines that health maintenance organization plans are no longer the most cost-effective health benefit plans offered by the board.		03/29/2006- Senate Appropriations Committee
<b>SB 1187</b>  I-01/19/2006	Ackerman	<b>JRS II: Annuity Option for Early Retirees</b>  Provides Judges' Retirement System II members retiring "early" an option of a lifetime annuity similar to that offered to JRS II members under a "normal" retirement by authorizing CalPERS to offer the option of an actuarially equivalent lifetime annuity.		03/29/2006- Senate Appropriations Committee



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<b>SB 1207</b>  A-02/28/2006	Alarcon	<b>Majority Vote for Corporate Directors</b>  Establishes a default majority vote standard in uncontested, corporate board of director elections. An approval by a majority of the shares represented and voting would be required to elect each director.	Support	03/21/2006- Senate Banking, Finance and Insurance Committee
<b>SB 1263</b>  I-02/09/2006	Alquist	<b>Long Term Care Insurance: Income Tax Deduction</b>  Allows most taxpayers to deduct the cost of long-term care insurance for the taxpayer, spouse, and dependents. The deduction will be phased in over 5 years, beginning with 25% of the insurance costs for the 2007 tax year, increasing to 100% for the 2012 tax year and later. Requires the Franchise Tax Board to annually report information about deductions claimed.		03/30/2006- Senate Revenue and Taxation Committee
<b>SB 1273</b>  I-02/09/2006	Soto	<b>Public Agency Definition: Area Agency on Aging</b>  Authorizes an area agency on aging to enter into a contract with CalPERS for participation of the agency's employees as members of the system if the agency obtains a ruling from the U.S. Department of Labor defining it as a public agency.		03/29/2006- Senate Appropriations Committee
<b>SB 1445</b>  I-02/22/2006	Alquist	<b>PEMHCA: California National Guard</b>  Includes qualifying members of the California National Guard in the definition of "employee" under PEMHCA. Beginning January 1, 2007, qualifying members of the California National Guard will be eligible for the same health and dental care benefits provided to personnel serving on active duty.		03/02/2006- Senate PE&R Committee
<b>SB 1697</b>  I-02/24/2006	Soto	<b>State Military Personnel: Membership</b>  Adds Military Department personnel on state active duty who retire on or after January 1, 2007 to the state peace officer/firefighter membership category. Provides that the state pay for personnel on state active duty who receive or are eligible to receive a federal retirement payment, shall be reduced by the amount of their federal retirement payment. Considers Military Department personnel as employees and provides them federal reemployment protections and benefits under USERRA.		03/09/2006- Senate PE&R Committee

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<b>SB 1729</b>  A-03/29/2006	Soto	<b>Medicare Part D: Implementation</b>  Provides the CalPERS Board with maximum flexibility to implement Medicare Part D. Employees, annuitants, and family members enrolled in a board-approved or offered health benefit plan that provides a PDP or qualified prescription drug coverage would not be prohibited from enrolling in a board-approved health benefit plan.		03/29/2006- Senate Rules Committee
<b>SBX1 2</b>  I-05/12/2005	Dunn	<b>Employer Rate Stabilization Accounts</b>  Establishes within the PERF a Taxpayer Adverse Risk Prevention Account for each employer. The accounts would be held as an employer asset and funded by all or a portion of employer contributions when the actuarial value of assets exceeds the present value of benefits. The account may be drawn upon to pay a portion of the employer contribution when the employer contribution rate is greater than the normal cost of benefits.		05/24/2005- Senate Appropriations Committee
<b>SBX1 6</b>  I-05/19/2005	Ashburn	<b>Three Year Final Compensation Period</b>  Provides a 3-year final compensation period for state and school members hired on or after January 1, 2006, or those not in an employee group subject to a 1-year final compensation definition.		05/23/2005- Senate PE&R Committee; failed passage.
<b>SBX1 7</b>  I-05/19/2005	Ashburn	<b>Prospective Application of Benefit Enhancements</b>  Beginning January 1, 2006, requires that retirement formula enhancements apply prospectively only, and not be applied to prior service.		05/23/2005- Senate PE&R Committee; failed passage.
<b>SBX1 9</b>  I-05/19/2005	Ashburn	<b>Election Rights for 1st Tier Service</b>  Requires a member's election to become subject to 1st tier benefits, rather than 2nd tier benefits, to be filed at least 3 years prior to retirement. Also removes a member's ability to convert 2nd tier service to 1st tier upon making the required member contributions.		05/23/2005- Senate PE&R Committee; failed passage.

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<b>SBX1 10</b>  I-05/19/2005	Ashburn	<b>DB/DC Hybrid Plan</b>  Requires the CalPERS Board of Administration, and the governing boards of county and local retirement plans, to establish hybrid retirement plans for employees hired on or after January 1, 2006 that consist of a defined benefit plan funded by employer contributions, and a defined contribution plan funded by employee contributions.		05/23/2005-Senate PE&R Committee; failed passage.
<b>SBX1 12</b>  I-05/19/2005	Ashburn	<b>Reduced Benefit Formula for New Employees</b>  Specifies that the 2% @ 55 and the 3% @ 60 formulas are not applicable to employees hired on or after January 1, 2006. Employees hired after that date would instead be subject to a 2% @ 60 formula.		05/23/2005-Senate PE&R Committee; failed passage.
<b>SBX1 13</b>  I-05/19/2005	Ashburn	<b>Rate Stabilization: Contingency Reserves</b>  Authorizes the CalPERS Board and the respective retirement boards of local government systems to create a Pension Contribution Stabilization Account. The account is to be used for the sole purpose of paying unfunded liabilities. Would require employer contributions in years when the actuarial value of the system's assets exceeds its liabilities.		05/23/2005-Senate PE&R Committee; failed passage.